

Our Committee started this year with four days of hearings on waste, fraud, and abuse. We examined why \$12 billion in cash disappeared in Iraq. We looked at the problems created by our government's growing reliance on private security contractors. And we investigated the calamitous "Deepwater" contract to build ships for the Coast Guard.

We also held a day of hearings on waste, fraud, and abuse in the health care system.

This is a theme that we will return to repeatedly this year. The taxpayers understand that it costs money to run the government. But they can't accept rampant waste, fraud, and abuse that squanders their money on boondoggle programs. They are looking to Congress to rein in the wasteful spending and federal giveaways that are driving our nation deeper into debt.

Our Committee is uniquely positioned to weed out waste, fraud, and abuse. Because we have government-wide oversight authority, we can look at wasteful spending with independence and a fresh perspective.

As we hold hearings in this Committee on waste, fraud, and abuse, there will be no sacred cows.

The crop insurance industry is a well-financed and influential lobby. But in this Committee, there will be no free passes. Our responsibility is to look out for the taxpayer — not the crop insurers, the drug companies, the federal contractors, or any other special interest.

I'm not an agriculture expert. I grew up over my family's grocery store, so I know more about selling produce than I do about growing it. But I know a waste of taxpayer money when I see it. And what our Committee will learn today is that the subject of this hearing — the federal crop insurance program — is costing taxpayers billions of dollars in waste, fraud, and abuse.

Nobody can argue with the goals of the crop insurance program: to provide farmers and ranchers with a safety net when bad weather or bad luck threatens financial ruin. But from the

taxpayer perspective, it's hard to imagine a more costly and inefficient way of providing this safety net for farmers.

The federal crop insurance program has become a textbook example of waste, fraud, and abuse in federal spending.

Under the crop insurance program, farmers have received \$10.5 billion over the last six years. But it has cost the taxpayers almost \$19 billion to provide this financial protection to farmers. Over \$8 billion in taxpayer funds have been squandered in excess payments to insurers and other middlemen. Somehow, about forty cents of every dollar that taxpayers have put into the crop insurance program has gone up in smoke.

The testimony from the Government Accountability Office will explain where some of this money is going. GAO has found that the private crop insurance companies are obtaining underwriting profits that are almost three times as high as industry averages. These exorbitant profits are funded by the taxpayers and farmers that pay for the program. According to GAO, over the last decade these crop insurance companies have earned \$2.8 billion in underwriting profits. Simply reducing their underwriting profits to industry average levels would have saved taxpayers almost \$2 billion.

These reports of billions of dollars in taxpayer waste are the reason I'm holding this hearing today. Nobody begrudges assistance to a farmer whose crop is destroyed in a natural disaster. But no one should tolerate insurance companies that skim billions from the Treasury to fatten their profits.

When I took over as chairman of this Committee, I made a commitment to the taxpayer. Finding waste, fraud, and abuse in federal programs will be our priority. Our goal is to make sure every taxpayer dollar is spent wisely and responsibly. By exposing wasteful spending in programs like the federal crop insurance system, we can take the first step toward true reform.

Eliminating waste, fraud, and abuse is not a partisan issue. And on this Committee, we are particularly fortunate that Tom Davis is our Ranking Member. He shares my commitment to putting the interests of the taxpayer first and understands the importance of our oversight role.

I now yield to Mr. Davis for his statement.